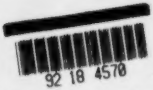
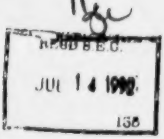


SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549



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FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended
May 31, 1992

Commission File Number
33-9196-NY

INTERNATIONAL GAMING MANAGEMENT, INC. KGL-2231

Delaware	11-2826070
State or other jurisdiction of incorporation or organization	IRS employer identification number

777 Park Place Center, 5775 Wayzata Boulevard, Minneapolis, MN 55416
Address of principal executive offices — Zip Code

Registrant's telephone number including area code: (612) 542-1410

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days.

Yes X No _____

As of May 31, 1992, there were 7,793,199 shares of the Registrant's Common Stock issued and outstanding.

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INTERNATIONAL GAMING MANAGEMENT, INC.

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Consolidated Statements of Shareholders' Equity -- Nine Months Ended May 31, 1992;

Consolidated Statements of Cash Flows -- Nine Months Ended May 31, 1992 and 1991;

Notes to Consolidated Financial Statements

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

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INTERNATIONAL GAMING MANAGEMENT, INC.
CONSOLIDATED BALANCE SHEETS

	(Unaudited) May 31, 1992	August 31, 1991
ASSETS		
CURRENT ASSETS		
Cash	$ 3,799	$ 1,034
Accounts receivable	83,466	20,873
Notes receivable - current balance	450,000	-
Inventory	26,000	-
Deposit	25,000	25,000
Prepaid expenses	21,338	-
Other current assets	1,430	2,485
TOTAL CURRENT ASSETS	611,033	49,392
PROPERTY AND EQUIPMENT, at cost		
Gaming equipment	1,011,666	763,401
Furniture and fixtures	33,412	35,262
	1,045,078	798,663
Accumulated depreciation	(351,641)	(226,865)
	693,437	571,798
OTHER ASSETS		
Notes receivable	460,165	23,482
Investment in unconsolidated affiliates	520,404	21,434
Piktron System, net of amortization	179,699	204,250
	1,160,268	249,166
	$2,464,738	$ 870,356
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Customer deposits	$ 186,000	$ 186,000
Bank overdraft	-	6,297
Accounts payable	613,718	223,924
Obligation to investors	50,900	50,900
Accrued expenses	163,821	149,109
Short-term debt	505,000	
Current maturities of long-term debt	703,425	540,226
TOTAL CURRENT LIABILITIES	2,222,864	1,156,456
LONG-TERM DEBT, less current maturities	-	22,167
SHAREHOLDERS' EQUITY (Deficit)		
Common stock -- $.001 par value, 20,000,000 shares authorized, 6,897,700 shares as at August 31, 1991, and 7,793,199 shares as at May 31, 1992 issued and outstanding	7,793	6,897
Additional Paid-In Capital	2,496,324	1,949,970
Accumulated Deficit	(2,262,243)	(2,265,134)
	241,874	(308,267)
	$2,464,738	$ 870,356

Note: The balance sheet at August 31, 1991 has been derived from the audited financial statements at that date.

See notes to consolidated financial statements.

INTERNATIONAL GAMING MANAGEMENT, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended		Nine Months Ended	
	May 31, 1992	May 31, 1991	May 31, 1992	May 31 1991
Gaming income	$ 579,121	$ 87,957	$1,192,162	$333,652
Sale of gaming machines	-	37,000	177,602	117,000
Total Revenue	579,121	124,757	1,369,764	450,652
Operating costs and expenses				
Cost of machines sold	-	60,840	214,644	89,840
Selling, general and administrative	749,911	156,464	1,476,541	719,608
(Loss) from operations	(170,790)	(92,547)	(321,421)	(358,796)
Other income (expense)				
Interest expense	(11,619)	(6,364)	(24,779)	(41,054)
Other income	12,051	-	93,650	56,113
Gain on sub-license agreement	-	-	-	262,403
Gain on sale of unconsolidated affiliate - stock net	-	-	444,443	-
(Loss) from unconsolidated affiliate	(94,330)	-	(189,002)	-
NET INCOME (LOSS)	$ (264,688)	$ (98,911)	$ 2,891	$ (81,334)
NET INCOME (LOSS) PER SHARE	$ (.04)	$ (.02)	$ .00	$ (.01)
AVERAGE SHARES OUTSTANDING	7,182,980	6,809,100	8,292,522	6,809,100

See notes to consolidated financial statements.

INTERNATIONAL GAMING MANAGEMENT, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
NINE MONTHS ENDED MAY 31, 1992
(UNAUDITED)

	Common Stock		Additional		
	Number of Shares	Amount	Paid-In Capital	Accumulated Deficit	Total
Balance, August 31, 1991	6,897,700	$ 6,897	$1,949,970	$(2,265,134)	$(308,267)
Net income for the nine month period ended May 31, 1992				2,891	2,891
Stock issued as compensation	500	1	749	-	750
Compensation related to stock options	-	-	22,500	-	22,500
Exercise of stock options	50,000	50	24,950	-	25,000
Sale of Common Stock	844,999	845	498,155	-	499,000
	7,793,199	$ 7,793	$2,496,324	$ 2,262,243	$ 241,874

INTERNATIONAL GAMING MANAGEMENT, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

	Nine Month Periods Ended May 31, 1992	May 31, 1991
OPERATING ACTIVITIES		
Net income (loss)	$ 2,891	$ (81,339)
Adjustments to reconcile net incore (loss) to cash provided (used) by operating activities:		
Depreciation and amortization	180,806	127,529
Gain on sale of machines		(27,160)
Gain on execution of sub-license agreement		(262,403)
Loss on disposal of fixed assets	37,062	764
Loss from unconsolidated affiliates	189,056	-
Gain on negotiation of notes payable	(62,038)	-
Compensation related to stock options	22,500	-
Compensation expense related to stock issuance	750	-
Change in operating assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	(62,593)	(12,472)
Advances to unconsolidated affiliate	(910,165)	-
Inventory	(26,000)	-
Prepaid expenses	(21,338)	-
Other current assets	1,055	(826)
Increase (decreases) in:		
Bank overdraft	(6,297)	(28,444)
Accounts payable	552,993	161,000
Accrued liabilities	14,713	84,531
Customer deposits	-	6,832
NET CASH FROM (FOR) OPERATING ACTIVITIES	(86,605)	(31,988)
INVESTING ACTIVITIES		
Proceeds from machine sales	-	117,000
Purchase of equipment	(250,187)	(76,240)
Investment unconsolidated affiliates	(689,443)	-
NET CASH FROM (FOR) INVESTING ACTIVITIES	(939,630)	40,760
FINANCING ACTIVITIES		
Proceeds from sale of stock	499,000	6,000
Proceeds from exercise of stock options	25,000	-
Proceeds from issuance of debt	505,000	42,960
Repayment of debt	-	(50,371)
Repayment of obligation to investors	-	(11,000)
NET CASH FROM (FOR) FINANCING ACTIVITIES	1,029,000	(12,411)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,765	(3,639)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,034	221
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 3,799	$ (3,418)

See notes to consolidated financial statements.

INTERNATIONAL GAMING MANAGEMENT, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)
FOR THE NINE MONTH PERIODS ENDING
MAY 31, 1992 AND MAY 31, 1991

During 1992, the company returned gaming devices to a vendor, thereby reducing current maturities of long-term debt by $177,602. The company reported a loss of $37,042 in this transaction.

The company negotiated a reduction in note and accounts payable in the amount of $62,036. The company reported a gain of this amount for the nine month period ending May 31, 1992.

The Company reported $22,500 in compensation expense for the nine month period ended May 31, 1992 related to the granting of stock options to the directors of the Company.

During 1991, the company reported a gain in the amount of $262,403 as part of a sub-license agreement. This consisted of accounts payable assumed in the amount of $288,815 and gain on sale of logo in the amount of $26,412.

During 1991, the company reduced debt through the issuance of common stock in the amount of $56,009.

INTERNATIONAL GAMING MANAGEMENT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1 -- Basis of Presentation

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine month periods ended May 31, 1992 are not necessarily indicative of the results that may be expected for the year ended August 31, 1992. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10K for the year ended August 31, 1991.

Per Share Data

The net loss per share was compiled on the basis of the weighted average number of shares outstanding. As of May 31, 1992 the weighted average number of shares outstanding was 7,182,980. The exercise of stock options and warrants was not considered in the computation of earnings per share for the three months ended May 31, 1992 because their inclusion would be anti-dilutive and decrease the loss per share amounts reported.

The net income per share for the nine month period ending May 31, 1992 includes the exercise of stock options and warrants for total average shares outstanding of 8,292,522.

Note 2 -- Louisiana Gaming Management, Inc.

In September of 1991, the State of Louisiana legalized the operation of video gaming devices in night clubs, truck stops, race tracks, and off-track betting facilities. Management is anticipating the State of Louisiana will permit play to begin on the aforementioned video games in July of 1992. In August of 1991, Louisiana Gaming Management, Inc. ("LGM") was formed to lease video poker devices to night club owners, truck stop owners, race track owners, and the owners of off-track betting facilities. International Gaming Management, Inc. owns forty-seven and three-quarters percent (47.75%) of LGM. According to the management of LGM, LGM has the following contracts, letters of intent, proposals, and verbal commitments:

		Games
Night Club/Bar Contracts	370	1,100
Truckstop Contracts	6	300
Letters of Intent	150	450
Verbal Commitments	800	2,400
Proposals - Truckstops	4	200

Results of Operations

Revenues increased by 658% to $579,121 in the third quarter of 1992 compared with the $87,957 recorded for the comparable period in 1991. The company earned all of its gaming revenue from Indian Reservation Casinos located in Wisconsin, Washington, and Michigan.

General and administrative expenses in the third quarter of 1992 increased by $593,447 or 479% compared to the comparable period in 1991.

Liquidity, Capital Resources, and Outlook

The Company's prospects are in part contingent upon the success of LGM. LGM has entered into an agreement with Bally Gaming, Inc. ("Bally"), which provides Bally will finance one hundred percent (100%) of the cost of up to three thousand (3,000) video lottery terminals over a thirty-six (36) month period. LGM has begun taking delivery on the Bally video lottery terminals. LGM is presently negotiating with another gaming equipment manufacturer to purchase two thousand (2,000) gaming devices to be seller financed on a basis similar to that negotiated with Bally.

On July 2, 1992 IGM completed the first phase of its private placement offering in the amount of $3,500,000. It is anticipated the remaining $2,500,000 private placement will be completed by July 31, 1992.

IGM presently leases gaming devices to Indian Casinos, and anticipates seasonally adjusted gross revenue of approximately $150,000 per month from the operation of said gaming devices.

IGM continues to monitor the player active lottery market for the placement of its Piktron gaming device.

PART II -- OTHER INFORMATION

Item 1. Legal Proceedings:

1. The Company has settled the Siegel, Brill, Greupner & Duffy, P.A. lawsuit by agreeing to pay Siegel, Brill, Greupner, Duffy, P.A. $6,600.00 in six (6) equal monthly installments of approximately $1,150.00 each, which commenced on April 15, 1992.

2. The Company has settled the Seminole Tribe of Indians of Tampa, Florida ("Seminole Tribe") lawsuit by delivering five (5) of its Piktron Lottery Systems ("PLS") to the Seminole Tribe's casino. In the event the Seminole Tribe is required to remove the aforementioned PLS from its casino within thirty (30) days after the date the PLS were delivered (June 12, 1992) and upon return of the PLS to the Company, the Company will pay $60,000 to the Seminole Tribe; in the event the Seminole Tribe is required to remove said PLS after thirty (30) days, but prior to sixty (60) days from the date of delivery, and upon return of the PLS to the Company, the Company will pay $49,500 to the Seminole Tribe, in the event said PLS are required to be removed after sixty (60) days, but prior to ninety (90) days from the date of delivery, and upon return of the PLS to the Company, the Company will pay $33,000 to the Seminole Tribe, thereafter, the Company shall have no obligation to refund any monies to the Seminole Tribe.

3. The Company was served with a Summons and Complaint by the Miccosukee Tribe of Indians of Florida alleging a downpayment of $120,000 was not returned upon the Tribe's cancellation of a contract to purchase gaming devices. The Company is hopeful it can resolve this matter by delivering ten (10) of its PLS to the Tribe in exchange for a Stipulation of Dismissal of the lawsuit.

4. The Company has asserted a claim for infringement of the Company's trade name and service mark against Indian Gaming Management, Inc. Negotiations are continuing to resolve this claim.

5. The Company is contemplating a claim for infringement of trade secrets and proprietary information against Indian Gaming Management, Inc. No complaint has yet been served or filed in this matter.

6. On April 15, 1992, the Company settled the Lois, Pitts Gershan Pon/GGHK, Inc. ("Lois/GGK") lawsuit by agreeing to pay Lois/GGK twenty-two thousand dollars ($22,000,00) payable in twelve (12) consecutive equal monthly installments of $1,934.15 each, which commenced on April 15, 1992.

The Company is continuing to negotiate with Michael Warren and King David, Inc. regarding their Crossclaim. The Company believes the Michael Warren and King David, Inc. Crossclaim is without merit, and is hopeful it will be resolved without cost to the Company, or on the basis of a nuisance settlement.

Item 2. Changes in Securities:

None

Item 3. Defaults Upon Senior Securities:

None

Item 4. Submission of Matters to a Vote of Security Holders:

None

Item 5. Other Information:

None

Item 6. Exhibits and Reports on Form 8-K:

a. Exhibits: none
b. Reports on Form 8-K: none

INTERNATIONAL GAMING MANAGEMENT, INC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

INTERNATIONAL GAMING MANAGEMENT, INC.
(Registrant)

Dated: July 13, 1992

DOUGLAS H. POLINSKI
Chairman of The Board